

SCHEDULE A

AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF UMZUMBE MUNICIPALITY

Final ANNUAL BUDGET OF

Umzambe Municipality



2012/2013 TO 2014/2015
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1. Mayor's Report

It gives me great pleasure to table before this council our draft budget for the financial year 2012/2013. The tabling of this final budget today is done in compliance with the requirements of the Municipal Finance Management Act no 56 of 2003 section 16, which amongst other things states that:

- 1) The Council of the municipality must for each financial year approve an annual budget for the municipality before the start of the start
- 2) In order for the municipality to comply with subsection (1), the Mayor of the Municipality must table the annual budget at a council meeting at least 90 days before the start of the financial year.

Honorable, Speaker, the final budget that I am tabling before council today, takes into account, the national priorities, as presented by President Gedleyihlekisa Mhlanganyelwa Zuma, in the State of the Nation Address earlier this year. Furthermore, the Budget Speech, presented to the Nation by the Minister of Finance, Mr. Pravin Gordhan, has provided a foundation through which our projections are based. In addition, the Premier of KwaZulu Natal, Dr. Zweli Mkhize, in his State of the Province Address, has clearly articulated our provincial governments priorities for the coming year, and these have been further emphasized in the provincial budget speech, presented by, the MEC for finance in KwaZulu Natal, Ms. Ina Cronje.

In preparing the final budget for the financial year 2012/13, we have aligned our priorities to the national and the provincial priorities to ensure that our programmes as Umzumbe are in line with our government's strategic framework on service delivery. This, we are doing to achieve the idea of a 'seamless' government.

In closing, Honorable Speaker, I want to assure all members of council that this budget has been presented to our community, through our public participation mechanisms, to afford our people an opportunity to engage fruitfully with us, and provide input that assisted us in preparing our final 'peoples' budget .

I thank you

Council Resolutions

On 22 May 2012 the Council of Umzumbe Local Municipality met in the Council Chambers of Umzumbe Municipality to consider the annual budget of the municipality for the financial year 2012/2013. The Council approved and adopted the following resolutions:

1. The Council of Umzumbe Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 1. The annual budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
 1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 2 Page 6;
 2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 3 page 7;
 3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 4 page 8;
 4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 5 page 10.
 2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 1. Budgeted Financial Position as contained in Table 6 page 12;
 2. Budgeted Cash Flows as contained in Table 7 page 14;
 3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 8 page 14;
 4. Asset management as contained in Table 9 page 16;
 5. Basic service delivery measurement as contained in Table 10 page 18.

2. The Council of Umzumbe Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:
 1. the tariffs for property rates

2. Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality is grant dependent and it is 100% rural with high poverty and very low employment rates. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

National Treasury's MFMA Circular No. 58 and 59 were used to guide the compilation of the 2012/2013 MTREF.

The main challenges experienced during the compilation of the 2012/2013 MTREF can be summarised as follows:

1. The ongoing difficulties in the national and local economy;
2. Lack and poorly maintained roads infrastructure;
3. The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities;
4. Dependency on government grants;
5. Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
6. Affordability of capital projects;

3. Annual Budget Tables - Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/2013 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Table 1 MBRR Table A1 – Budget Summary

KZN213 Umzumbe - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
Financial Performance										
Property rates	–	771	1,543	2,303	2,303	2,303	1,637	2,842	3,013	3,194
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	1,421	–	–	–	–	1,000	900	800
Transfers recognised - operational	62,784	79,405	63,564	103,143	105,143	105,143	55,084	95,627	95,880	103,456
Other own revenue	1,218	3,562	730	4,027	5,070	5,070	5,468	90	97	105
Total Revenue (excluding capital transfers and contributions)	64,002	83,738	67,257	109,473	112,516	112,516	62,189	99,559	99,890	107,555
Employee costs	11,656	13,752	15,978	21,331	21,131	21,131	12,100	25,756	27,301	28,939
Remuneration of councillors	7,637	8,092	7,864	8,947	9,147	9,147	5,840	10,348	11,176	12,070
Depreciation & asset impairment	3,254	3,626	6,123	5,545	5,545	5,545	–	6,300	6,678	7,079
Finance charges	–	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	29,690	25,446	27,241	34,688	36,531	36,531	16,123	44,355	47,016	49,837
Total Expenditure	52,237	50,916	57,206	70,511	72,354	72,354	34,063	86,759	92,171	97,925
Surplus/(Deficit)	11,765	32,822	10,051	38,962	40,162	40,162	28,126	12,800	7,719	9,629
Transfers recognised - capital	9,329	31,417	31,922	38,962	45,500	45,500	17,642	29,908	31,549	33,373
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Capital expenditure & funds sources										
Capital expenditure	25,037	31,417	35,481	38,962	45,499	45,499	8,987	42,709	45,272	47,988
Transfers recognised - capital	36,659	58,441	31,922	38,962	45,500	45,500	17,642	42,709	45,272	47,988
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	36,659	58,441	31,922	38,962	45,500	45,500	17,642	42,709	45,272	47,988
Financial position										
Total current assets	12,957	26,033	24,070	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Total non current assets	–	–	137,136	103,143	103,143	103,143	120,450	122,112	129,438	137,205
Total current liabilities	1,248	980	7,999	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Total non current liabilities	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	37,521	47,512	–	103,143	105,143	105,143	–	125,535	127,429	140,928
Cash flows										
Net cash from (used) operating	12,834	27,705	48,078	38,962	40,162	40,162	45,768	42,709	39,532	43,658
Net cash from (used) investing	(22,835)	(31,719)	(35,480)	(38,962)	(45,499)	(45,499)	(8,987)	(42,709)	(45,272)	(47,988)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(10,001)	(14,015)	(1,417)	7,000	0	0	42,118	–	(5,739)	(10,070)
Cash backing/surplus reconciliation										
Cash and investments available	9,335	19,786	15,618	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Application of cash and investments	–	(1,112)	(1,778)	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Balance - surplus (shortfall)	9,335	20,898	17,395	5,675	5,675	5,675	1,675	1,666	346	(994)
Asset management										
Asset register summary (WDV)	25,036	31,646	35,480	38,962	45,499	45,499	42,709	42,709	45,272	47,988
Depreciation & asset impairment	3,254	3,626	6,123	5,545	5,545	5,545	6,300	6,300	6,678	7,079
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	657	1,062	3,083	3,083	5,215	5,215	5,528	5,860
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 1. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 2. Capital expenditure is balanced by capital funding sources, of which
 1. Transfers recognised is reflected on the Financial Performance Budget;
 2. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 3. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN213 Umzumbe - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
<i>Governance and administration</i>		41,061	59,034	64,351	50,651	53,870	53,870	61,444	65,131	69,038
Executive and council		15,096	8,800	16,456	5,254	8,424	8,424	8,515	9,026	9,567
Budget and treasury office		25,965	50,234	47,895	7,911	7,911	7,911	9,680	10,261	10,876
Corporate services		-	-	-	37,486	37,535	37,535	43,249	45,844	48,594
<i>Community and public safety</i>		22,336	14,863	32,175	18,160	16,784	16,784	23,640	25,058	26,562
Community and social services		22,336	14,863	32,175	18,160	16,784	16,784	23,640	25,058	26,562
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		604	8,772	2,654	1,700	1,700	1,700	1,675	1,776	1,882
Planning and development		604	8,772	2,654	1,700	1,700	1,700	1,675	1,776	1,882
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	64,002	82,669	99,179	70,511	72,354	72,354	86,759	91,964	97,482
Expenditure - Standard										
<i>Governance and administration</i>		37,144	38,510	37,135	50,651	53,870	53,870	61,444	65,131	69,038
Executive and council		13,694	5,768	9,496	5,254	8,424	8,424	8,515	9,026	9,567
Budget and treasury office		23,450	32,742	27,639	7,911	7,911	7,911	9,680	10,261	10,876
Corporate services		-	-	-	37,486	37,535	37,535	43,249	45,844	48,594
<i>Community and public safety</i>		16,981	9,742	18,882	18,160	16,784	16,784	23,640	25,058	26,562
Community and social services		16,981	9,742	18,882	18,160	16,784	16,784	23,640	25,058	26,562
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		548	5,783	1,531	1,700	1,700	1,700	1,675	1,776	1,882
Planning and development		548	5,783	1,531	1,700	1,700	1,700	1,675	1,776	1,882
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	54,672	54,035	57,549	70,511	72,354	72,354	86,759	91,964	97,482
Surplus/(Deficit) for the year		9,329	28,634	41,631	-	-	-	-	-	-

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN213 Umzumbe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		15,096	8,800	16,456	5,254	8,424	8,424	8,515	9,026	9,567
Vote 2 - FINANCE AND ADMIN		25,965	50,234	47,895	45,397	45,446	45,446	52,929	56,105	59,471
Vote 3 - PLANNING		604	8,772	2,654	1,700	1,700	1,700	1,675	1,776	1,882
Vote 4 - COMMUNITY AND SOCIAL SERVICES		22,336	14,863	32,175	18,160	16,784	16,784	23,640	25,058	26,562
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	64,002	82,669	99,179	70,511	72,354	72,354	86,759	91,964	97,482
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		13,694	5,768	9,496	5,254	8,424	8,424	8,515	9,026	9,567
Vote 2 - FINANCE AND ADMIN		23,450	32,742	27,639	45,397	45,446	45,446	52,929	56,105	59,471
Vote 3 - PLANNING		548	5,783	1,531	1,700	1,700	1,700	1,675	1,776	1,882
Vote 4 - COMMUNITY AND SOCIAL SERVICES		16,981	9,742	18,882	18,160	16,784	16,784	23,640	25,058	26,562
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	54,672	54,035	57,549	70,511	72,354	72,354	86,759	91,964	97,482
Surplus/(Deficit) for the year	2	9,329	28,634	41,631	-	-	-	-	-	-

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table4 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN213 Umzumbe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Revenue By Source											
Property rates	2	-	771	1,543	2,303	2,303	2,303	1,637	2,842	3,013	3,194
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments				1,421					1,000	900	800
Interest earned - outstanding debtors											
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		62,784	79,405	63,564	103,143	105,143	105,143	55,084	95,627	95,880	103,456
Other revenue	2	1,218	3,562	730	4,027	5,070	5,070	5,468	90	97	105
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		64,002	83,738	67,257	109,473	112,516	112,516	62,189	99,559	99,890	107,555
Expenditure By Type											
Employee related costs	2	11,656	13,752	15,978	21,331	21,131	21,131	12,100	25,756	27,301	28,939
Remuneration of councillors		7,637	8,092	7,864	8,947	9,147	9,147	5,840	10,348	11,176	12,070
Debt impairment	3										
Depreciation & asset impairment	2	3,254	3,626	6,123	5,545	5,545	5,545	-	6,300	6,678	7,079
Finance charges											
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	29,690	25,446	27,241	34,688	36,531	36,531	16,123	44,355	47,016	49,837
Loss on disposal of PPE											
Total Expenditure		52,237	50,916	57,206	70,511	72,354	72,354	34,063	86,759	92,171	97,925
Surplus/(Deficit)		11,765	32,822	10,051	38,962	40,162	40,162	28,126	12,800	7,719	9,629
Transfers recognised - capital		9,329	31,417	31,922	38,962	45,500	45,500	17,642	29,908	31,549	33,373
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Taxation											
Surplus/(Deficit) after taxation		21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R99.6 million in 2012/2013 and escalates to R107.6 by 2014/2015.
2. Revenue to be generated from property rates is R2.8 million in the 2012/2012 financial year and increases to R3.2 million by 2015/2015 which represents only 3 per cent of the operating revenue base of the Municipality and therefore remains an insignificant funding source for the municipality.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. Government grants are the main sources of the municipality's revenue since it totals to 96% which makes our municipality grants dependent.

Table 5 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN213 Umzumbe - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		761	127	680	60	110	110	37	35	37	39
Vote 2 - FINANCE AND ADMIN		513	1,962	466	1,821	1,771	1,771	34	925	981	1,039
Vote 3 - PLANNING		12	9	21	15	15	15	-	15	16	17
Vote 4 - COMMUNITY AND SOCIAL SERVICES		23,750	29,320	34,314	37,066	43,604	43,604	8,916	41,734	44,238	46,892
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		25,036	31,417	35,480	38,962	45,500	45,500	8,987	42,709	45,272	47,988
Total Capital Expenditure - Vote		25,036	31,417	35,480	38,962	45,500	45,500	8,987	42,709	45,272	47,988
Capital Expenditure - Standard											
Governance and administration		1,275	2,088	1,146	1,881	1,881	1,881	71	960	1,018	1,079
Executive and council		761	127	680	60	110	110	37	35	37	39
Budget and treasury office		513	1,962	466	50	50	50	-	20	21	22
Corporate services		-	-	-	1,771	1,721	1,721	34	905	959	1,017
Community and public safety		23,750	29,320	34,314	37,066	43,603	43,603	8,916	41,734	44,238	46,892
Community and social services		23,750	29,320	34,314	37,066	43,603	43,603	8,916	41,734	44,238	46,892
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		12	9	21	15	15	15	-	15	16	17
Planning and development		12	9	21	15	15	15	-	15	16	17
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	25,037	31,417	35,481	38,962	45,499	45,499	8,987	42,709	45,272	47,988
Funded by:											
National Government		36,659	58,441	31,922	38,962	45,500	45,500	17,642	42,709	45,272	47,988
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	36,659	58,441	31,922	38,962	45,500	45,500	17,642	42,709	45,272	47,988
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	36,659	58,441	31,922	38,962	45,500	45,500	17,642	42,709	45,272	47,988

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations there is no budget allocated since the municipality does not have multi-year capital projects.
3. Single-year capital expenditure has been appropriated at R42,7 million for the 2012/2013 financial year and increases over the MTREF at levels of R45.3 million and R48 million respectively for the two outer years.
4. The single-year appropriations relate to expenditure that will be incurred in the specific budget year such as construction of access roads, construction of a craft centre, procurement of vehicles, plant and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and national grants and transfers and internally generated funds from current year surpluses. For 2012/2013, capital transfers totals R29.9 million and increases to R33.4 million by 2014/2015.

Table 6 MBRR Table A6 - Budgeted Financial Position

KZN213 Umzumbe - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Current assets											
Cash		9,777	19,786	15,618							
Call investment deposits	1	-	-	-	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		3,180	6,247	8,453							
Current portion of long-term receivables											
Inventory	2										
Total current assets		12,957	26,033	24,070	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	113,066	103,143	103,143	103,143	120,450	122,112	129,438	137,205
Agricultural											
Biological											
Intangible											
Other non-current assets				24,070							
Total non current assets		-	-	137,136	103,143	103,143	103,143	120,450	122,112	129,438	137,205
TOTAL ASSETS		12,957	26,033	161,207	111,143	111,143	111,143	130,022	129,112	135,438	142,205
LIABILITIES											
Current liabilities											
Bank overdraft	1	442									
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	-	-	6,675	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Provisions		807	980	1,324							
Total current liabilities		1,248	980	7,999	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		1,248	980	7,999	2,325	2,325	2,325	7,898	5,334	5,654	5,994
NET ASSETS	5	11,709	25,053	153,207	108,818	108,818	108,818	122,125	123,777	129,784	136,211
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		10,506									
Reserves	4	27,015	47,512	-	103,143	105,143	105,143	-	125,535	127,429	140,928
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	37,521	47,512	-	103,143	105,143	105,143	-	125,535	127,429	140,928

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 1. Call investments deposits;
 1. Consumer debtors;
 2. Property, plant and equipment;
 3. Trade and other payables;
 4. Provisions non current;
 5. Changes in net assets; and
 6. Reserves
7. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
8. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 7 MBRR Table A7 - Budgeted Cash Flow Statement

KZN213 Umzumbe - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			771	2,273	5,430	6,273	6,273	6,083	2,933	3,168	3,421
Government - operating	1	66,543	51,445	63,564	78,488	80,488	80,488	55,084	95,627	95,880	103,546
Government - capital	1		27,960	31,922	24,655	24,655	24,655	17,642	29,908	31,549	33,373
Interest		964	1,559	1,421	900	1,100	1,100	1,022	1,000	900	800
Dividends											
Payments											
Suppliers and employees		(54,664)	(54,030)	(51,101)	(70,511)	(72,354)	(72,354)	(34,063)	(86,759)	(91,964)	(97,482)
Finance charges		(9)									
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		12,834	27,705	48,078	38,962	40,162	40,162	45,768	42,709	39,532	43,658
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			(302)								
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(22,835)	(31,417)	(35,480)	(38,962)	(45,499)	(45,499)	(8,987)	(42,709)	(45,272)	(47,988)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(22,835)	(31,719)	(35,480)	(38,962)	(45,499)	(45,499)	(8,987)	(42,709)	(45,272)	(47,988)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(10,001)	(4,014)	12,598	0	(5,337)	(5,337)	36,781	-	(5,739)	(4,330)
Cash/cash equivalents at the year begin:	2		(10,001)	(14,015)	7,000	5,337	5,337	5,337		-	(5,739)
Cash/cash equivalents at the year end:	2	(10,001)	(14,015)	(1,417)	7,000	0	0	42,118	-	(5,739)	(10,070)

Table 8 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN213 Umzumbe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available											
Cash/cash equivalents at the year end	1	(10,001)	(14,015)	(1,417)	7,000	0	0	42,118	-	(5,739)	(10,070)
Other current investments > 90 days		19,336	33,801	17,034	1,000	8,000	8,000	(32,546)	7,000	11,739	15,070
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		9,335	19,786	15,618	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Application of cash and investments											
Unspent conditional transfers		-	-	1,446	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	(1,112)	(3,223)	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	(1,112)	(1,778)	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Surplus(shortfall)		9,335	20,898	17,395	5,675	5,675	5,675	1,675	1,666	346	(994)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality improved over the 2008/2009 to 2009/10 period owing directly to a net increase in cash for the 2010/2011 financial year of R12.6 million.
4. The 2012/2013 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2008/09 to 211/12 the surplus deteriorated from R9.3 million to R5.8 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2011/12 MTREF was funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2012/13 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 9 MBRR Table A9 - Asset Management

KZN213 Umzumbe - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	25,036	31,417	35,480	38,962	45,500	45,500	42,709	45,272	47,988
Infrastructure - Road transport		5,396	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		795	-	-	-	-	-	-	-	-
Infrastructure		6,190	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Community		16,934	2,834	2,149	7,554	8,837	8,837	7,254	7,689	8,151
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,912	1,242	1,275	2,936	2,752	2,752	5,531	5,863	6,215
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	5,396	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		795	-	-	-	-	-	-	-	-
Infrastructure		6,190	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Community		16,934	2,834	2,149	7,554	8,837	8,837	7,254	7,689	8,151
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1,912	1,242	1,275	2,936	2,752	2,752	5,531	5,863	6,215
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	25,036	31,417	35,480	38,962	45,500	45,500	42,709	45,272	47,988

Table 9 MBRR Table A9 - Asset Management (continued)

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other		6,190	27,570	32,056	28,472	28,472	28,472	29,924	31,720	33,623
Infrastructure		6,190	27,570	32,056	28,472	28,472	28,472	29,924	31,720	33,623
Community		16,934	2,834	2,149	7,554	13,891	13,891	7,254	7,689	8,151
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		1,912	1,242	1,275	2,936	3,136	3,136	5,531	5,863	6,215
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	25,036	31,646	35,480	38,962	45,499	45,499	42,709	45,272	47,988
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		3,254	3,626	6,123	5,545	5,545	5,545	6,300	6,678	7,079
Repairs and Maintenance by Asset Class	3	-	-	657	1,062	3,083	3,083	5,215	5,528	5,860
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	200	2,197	2,197	3,830	4,060	4,303
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	657	862	887	887	1,385	1,468	1,556
TOTAL EXPENDITURE OTHER ITEMS		3,254	3,626	6,781	6,606	8,628	8,628	11,515	12,206	12,938
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprectn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.6%	1.0%	3.0%	3.0%	4.3%	4.3%	4.3%
Renewal and R&M as a % of PPE		0.0%	0.0%	2.0%	3.0%	7.0%	7.0%	12.0%	12.0%	12.0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality, it does not meet the recommendation.

Table 10 MBRR Table A10 - Basic Service Delivery Measurement

KZN213 Umzumbe - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-

Table 10 MBRR Table A10 - Basic Service Delivery Measurement (continued)

Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy and refuse removal.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied by Eskom.
4. Currently there is no refuse removal in the municipality.

Part 2 – Supporting Documentation

Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

1. that the process followed to compile the budget complies with legislation and good budget practices;
2. that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
3. that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
4. that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2011. Key dates applicable to the process were:

1. **July 2011** – Prepare joint process plan for IDP, PMS and Budget and advertise draft IDFP review;
2. **August 2011** – Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
3. **September 2011** – Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
4. **October 2011** – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

5. **November 2011** – Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval
6. **December 2011** – Submit budget instructions and 2012/2013 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);
7. **January 2012** - Council considers the 2011/2012 Mid-year Review and Adjustments Budget;
8. **February 2012** – Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;
9. **March 2012** - Tabling in Council of the draft 2012/2013 IDP and 2012/2013 MTREF for public consultation;
10. **April 2012**– Public consultation;
11. **May 2012** – finalisation of the 2012/2013 IDP and 2012/2013 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2011/12 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

12. Registration of community needs;
13. Compilation of departmental business plans including key performance indicators and targets;
14. Financial planning and budgeting process;
15. Public participation process;
16. Compilation of the SDBIP, and
17. The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2012/2013 MTREF, based on the approved 2011/2012 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2012/2013 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2011/2012 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2012/2013 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/2013 MTREF:

18. Municipality growth
19. Policy priorities and strategic objectives
20. Asset maintenance
21. Economic climate and trends (i.e inflation)
22. Performance trends
23. The approved 2011/2012 adjustments budget and performance against the SDBIP
24. Cash Flow Management Strategy
25. Debtor payment levels
26. Investment possibilities
27. The need for tariff increases versus the ability of the community to pay for services;
28. Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 58 and 59 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2012/2013 MTREF as tabled before Council on 29 March 2012 for community consultation has been published on the municipality's website, and hard copies has been made available at municipal offices and other community centres. In addition budget road shows were held in different municipal clusters. Inputs were also collected via e-mails.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 16 April to 23 April 2012. The applicable dates and venues were published in all the local newspapers. Imbizo's will be held to further ensure transparency and interaction. Other stakeholders involved in the consultation will include churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2012/2013 MTREF.

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

29. Green Paper on National Strategic Planning of 2009;
30. Government Programme of Action;
31. Development Facilitation Act of 1995;
32. Provincial Growth and Development Strategy (GGDS);
33. National and Provincial spatial development perspectives;
34. Relevant sector plans such as transportation, legislation and policy;
35. National Key Performance Indicators (NKGIs);
36. Accelerated and Shared Growth Initiative (ASGISA);
37. National 2014 Vision;
38. National Spatial Development Perspective (NSDP) and
39. The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2012/2013 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 11 IDP Strategic Objectives

2012/13 Financial Year	
1.	Financial Viability
2.	Basic Service delivery and infrastructure
3.	Good governance and public participation
4.	Local economic Development
5.	Municipal transformation and institutional development
6.	Spatial analysis and environmental management

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2012/13 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 12 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN213 Umzumbe - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Basic Service delivery and Infrastructure Investment				32,568	46,777	12,683	46,091	51,429	51,429	55,508	58,838	62,369
Good governance and public participation				18,310	17,168	56,456	44,571	47,790	47,790	52,704	55,866	59,218
Municipal transformation and institutional development				655	8,772	2,654	1,715	1,715	1,715	1,690	1,791	1,899
Local Economic Development				9,856	6,495	19,492	9,135	7,419	7,419	9,866	10,458	11,085
Financial viability				2,612	3,457	7,895	7,961	7,961	7,961	9,700	10,282	10,899
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	64,001	82,669	99,179	109,473	116,313	116,313	129,468	137,236	145,470

Table 13 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN213 Umzumbe - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Basic Service delivery and Infrastructure Investment				20,726	5,485	7,319	9,565	9,365	9,365	14,010	14,851	15,742
Good governance and public participation				23,450	35,523	29,496	42,740	45,959	45,959	51,764	54,870	58,162
Municipal transformation and institutional development				1,459	5,783	1,531	1,700	1,700	1,700	1,675	1,776	1,882
Local Economic Development				7,065	4,257	11,563	8,595	7,419	7,419	9,630	10,208	10,820
Financial viability				2,076	2,987	7,639	7,911	7,911	7,911	9,680	10,261	10,876
							</					

Table 14 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN213 Umzumbe - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Basic Service delivery and Infrastructure Investment		A		23,416	27,266	30,350	36,526	42,064	42,064	41,498	43,988	46,627
Good governance and public participation		B		761	1,816	680	1,831	1,831	1,831	940	996	1,056
Municipal transformation and institutional development		C		12	9	21	15	15	15	15	16	17
Local Economic Development		D		333	2,054	3,963	540	1,540	1,540	236	250	265
Financial viability		E		513	146	466	50	50	50	20	21	22
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	25,036	31,290	35,480	38,962	45,500	45,500	42,709	45,272	47,988

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

40. Planning (setting goals, objectives, targets and benchmarks);
41. Monitoring (regular monitoring and checking on the progress against plan);
42. Measurement (indicators of success);
43. Review (identifying areas requiring change and improvement);
44. Reporting (what information, to whom, from whom, how often and for what purpose); and
45. Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

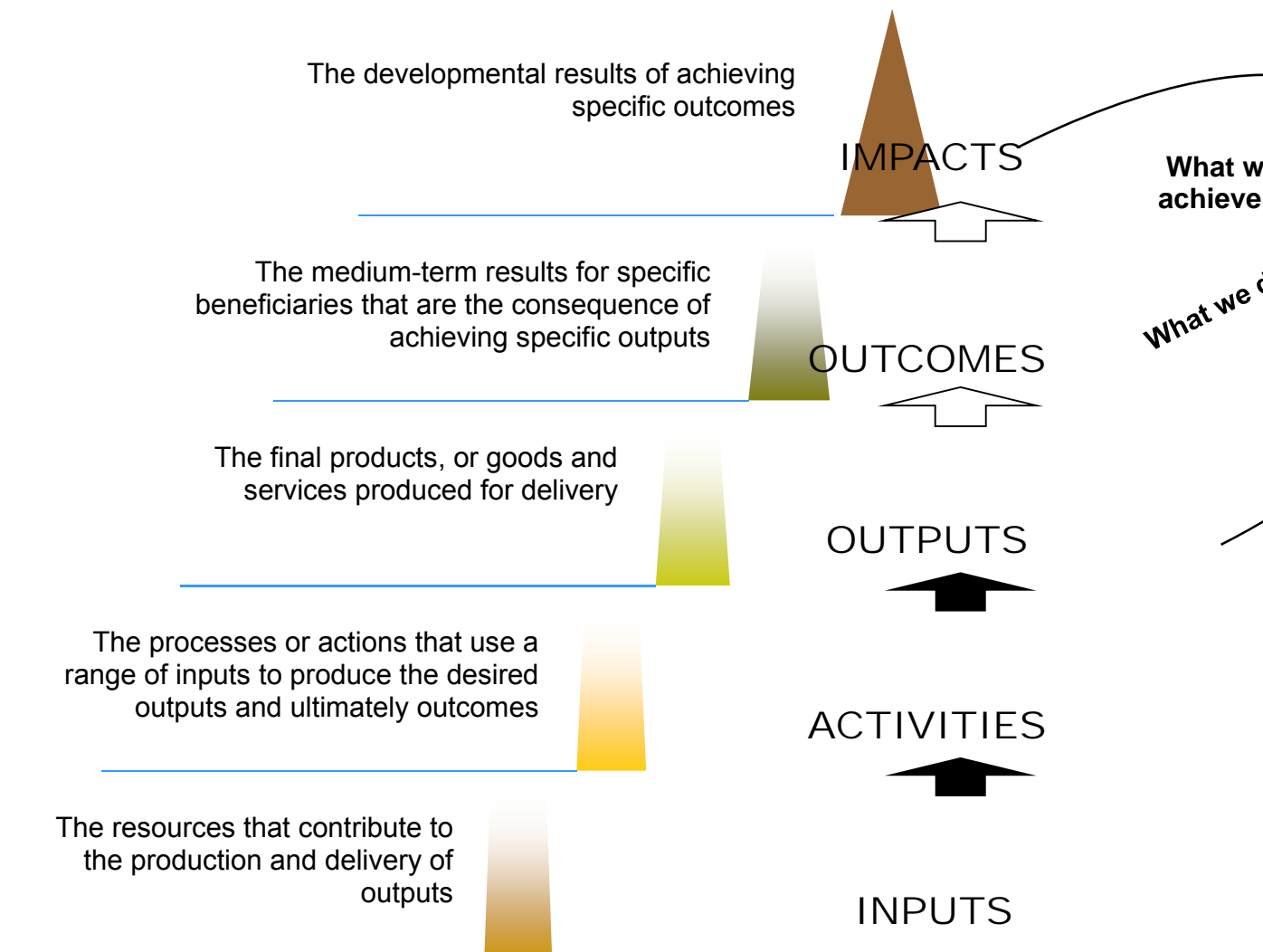


Figure 1 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 15 MBRR Table SA7 - Measurable performance objectives

KZN213 Umzumbe - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 1 - EXECUTIVE AND COUNCIL										
Function 1 - Mayor's										
Sub-function 1 - Mayor's Office										
Good governance and public participation		10,567	2,947	16,456	4,999	8,194	8,194	8,070	8,554	9,067
Sub-function 2 - (Municipal Manager										
Sub-function 1 - Municipal Manager's										
Good governance and public participation		4,529	2,947		315	315	315	465	493	522
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - Finance and Admin										
Function 1 - Finance										
Financial viability		2,612	3,128	47,895	7,961	7,961	7,961	9,700	10,282	10,899
Function 2 - Corporate Services										
Sub-function 1 - Corporate services										
Good governance and public participation		23,353	31,576		39,257	39,256	39,256	44,154	46,803	49,611
Vote 3 - Planning										
Function 1 - Planning										
Sub-function 1 - Planning										
Municipal transformation and institutional		655	5,791	2,654	1,715	1,715	1,715	1,690	1,791	1,899
Vote 4 - Community and social services										
Function 1 - Community Services										
Sub-function 1 - Community Services										
Local Economic Development		9,856	8,549	19,492	8,649	8,959	8,959	9,866	10,458	11,085
Function 3 - Technical Services										
Sub-function 1 - Technical Services										
Basic Service delivery and Infrastructure		32,568	32,750	12,683	46,091	51,429	51,429	55,508	58,838	62,369
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2011/12 MTREF.

Table 16 MBRR Table SA8 - Performance indicators and benchmarks

KZN213 Umzumbe - Supporting Table SA8 Performance indicators and benchmarks

KZN213 Onzombe - Supporting Table SAs Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex.cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	10.4	26.6	3.0	3.4	3.4	3.4	1.2	1.3	1.1	0.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	10.4	26.6	3.0	3.4	3.4	3.4	1.2	1.3	1.1	0.8
Liquidity Ratio	Monetary Assets/Current Liabilities	7.8	20.2	2.0	3.4	3.4	3.4	1.2	1.3	1.1	0.8
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	17.8%	100.0%	85.8%	85.1%	85.1%	85.6%	100.0%	101.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	17.8%	100.0%	85.8%	85.1%	85.1%	85.6%	100.0%	101.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.0%	7.5%	12.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	-369.2%	33.2%	498847.0%	498847.0%	18.8%	0.0%	-98.5%	-59.5%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	18.2%	16.4%	23.8%	19.5%	18.8%	18.8%	19.5%	25.9%	27.3%	26.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.1%	26.1%	35.4%	27.7%	26.9%	26.9%		37.1%	39.2%	38.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	1.0%	1.0%	2.7%	2.7%		5.2%	5.5%	5.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.1%	4.3%	9.1%	5.1%	4.9%	4.9%	0.0%	6.3%	6.7%	6.6%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.8	3.0	4.1	5.8	5.8	5.8	7.1	4.4	5.0	5.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	809.8%	548.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(3.9)	(5.3)	(0.5)	1.9	0.0	0.0	20.7	-	(1.2)	(2.0)

Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Credit control and debt collection procedures/policies

The 2012/13 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 85 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the City's cash levels.

Asset Management policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure.

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in April 2009.

Review of Budget Policy

The Budget Policy is current under review and will be tabled together with the budget on 22 May 2012. The Budget Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service

delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

Overview of budget assumptions

External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 900 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2011 will be 2.3 per cent rising to 3.6 per cent by 2012.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/13 MTREF:

46. National Government macro economic targets;
47. The general inflationary outlook and the impact on Municipality's residents and businesses;
48. The impact of municipal cost drivers;
49. The increase in the cost of remuneration.

Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2009 and shall remain in force until 30 June 2012. The negotiations are currently underway for the period beginning on 1 July 2012 however the increase of 8% has been provided for in the 2012/13 budget, pending the outcome of the negotiations.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

50. Creating jobs;
51. Infrastructure development;
52. Enhancing education and skill development;
53. Improving Health services;
54. Rural development and agriculture; and
55. Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Overview of budget funding

Medium Term revenue

Umzumbe Municipality mainly depends on government grants and subsidies.

Operational grants and subsidies amount to R95.6 million, R95.9 million and R103.5 million for each of the respective financial years of the MTREF, or 96 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF.

Investment revenue contributes 1 per cent to the revenue base of the municipality with a budget allocation of R1 million, R900 thousand and R800 thousand for the respective three financial years of the 2012/13 MTREF. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide d investment information and investment particulars by maturity.

Table 17 MBRR SA15 – Detail Investment Information

KZN213 Umzumbe - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality	1									
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank			9,577	9,572	8,000	8,000	8,000	7,000	6,000	5,000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total		-	9,577	9,572	8,000	8,000	8,000	7,000	6,000	5,000
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	9,577	9,572	8,000	8,000	8,000	7,000	6,000	5,000

Table 18 MBRR SA16 – Investment particulars by maturity

KZN213 Umzumbe - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent municipality											
FNB			Notice Deposit							3,000	
FNB			Call Deposit							4,000	
Municipality sub-total										7,000	-
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									7,000	-

Medium-term outlook: capital revenue

The Municipality's capital budget is funded by the Municipal Infrastructure Grant and the surplus for Equitable share.

The Municipal Infrastructure Grant for the MTERF is 29.9 million, 31.5 million and 33.4 million for respective years.

Table19 MBRR Table SA 18 - Capital transfers and grant receipts

Capital Transfers and Grants										
National Government:		21,052	27,960	20,499	24,655	24,655	24,655	29,908	31,549	33,373
Municipal Infrastructure Grant (MIG)		21,052	27,960	20,499	24,655	24,655	24,655	29,908	31,549	33,373
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	21,052	27,960	20,499	24,655	24,655	24,655	29,908	31,549	33,373

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

56. Clear separation of receipts and payments within each cash flow category;
57. Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
58. Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table20 MBRR Table A7 - Budget cash flow statement

KZN213 Umzumbe - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			771	2,273	5,430	6,273	6,273	6,083	2,933	3,168	3,421
Government - operating	1	66,543	51,445	63,564	78,488	80,488	80,488	55,084	95,627	95,880	103,546
Government - capital	1		27,960	31,922	24,655	24,655	24,655	17,642	29,908	31,549	33,373
Interest		964	1,559	1,421	900	1,100	1,100	1,022	1,000	900	800
Dividends											
Payments											
Suppliers and employees		(54,664)	(54,030)	(51,101)	(70,511)	(72,354)	(72,354)	(34,063)	(86,759)	(91,964)	(97,482)
Finance charges		(9)									
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		12,834	27,705	48,078	38,962	40,162	40,162	45,768	42,709	39,532	43,658
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			(302)								
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(22,835)	(31,417)	(35,480)	(38,962)	(45,499)	(45,499)	(8,987)	(42,709)	(45,272)	(47,988)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(22,835)	(31,719)	(35,480)	(38,962)	(45,499)	(45,499)	(8,987)	(42,709)	(45,272)	(47,988)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(10,001)	(4,014)	12,598	0	(5,337)	(5,337)	36,781	-	(5,739)	(4,330)
Cash/cash equivalents at the year begin:	2		(10,001)	(14,015)	7,000	5,337	5,337	5,337		-	(5,739)
Cash/cash equivalents at the year end:	2	(10,001)	(14,015)	(1,417)	7,000	0	0	42,118	-	(5,739)	(10,070)

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

59. What are the predicted cash and investments that are available at the end of the budget year?
60. How are those funds used?
61. What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years

there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN213 Umzumbe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available											
Cash/cash equivalents at the year end	1	(10,001)	(14,015)	(1,417)	7,000	0	0	42,118	-	(5,739)	(10,070)
Other current investments > 90 days		19,336	33,801	17,034	1,000	8,000	8,000	(32,546)	7,000	11,739	15,070
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		9,335	19,786	15,618	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Application of cash and investments											
Unspent conditional transfers		-	-	1,446	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	(1,112)	(3,223)	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	(1,112)	(1,778)	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Surplus(shortfall)		9,335	20,898	17,395	5,675	5,675	5,675	1,675	1,666	346	(994)

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 22 MBRR SA10 – Funding compliance measurement

KZN213 Umzumbe Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(10,001)	(14,015)	(1,417)	7,000	0	0	42,118	-	(5,739)	(10,070)
Cash + investments at the yr end less applications - R'000	18(1)b	2	9,335	20,898	17,395	5,675	5,675	5,675	1,675	1,666	346	(994)
Cash year end/monthly employee/supplier payments	18(1)b	3	(3.9)	(5.3)	(0.5)	1.9	0.0	0.0	20.7	-	(1.2)	(2.0)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	94.0%	43.3%	(6.0%)	(6.0%)	(34.9%)	17.4%	(0.0%)	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	17.8%	100.0%	85.8%	85.1%	85.1%	85.6%	100.0%	101.8%	103.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c,19	8	91.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	-	-	-	-	-	-	-	100.1%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	96.4%	35.3%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.6%	1.0%	3.0%	3.0%	4.3%	4.3%	4.3%	4.3%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Expenditure on grants and reconciliations of unspent funds

Table 23 MBRR SA19 - Expenditure on transfers and grant programmes

KZN213 Umzumbe - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		35,279	49,791	62,966	78,488	78,488	78,488	95,477	95,880	103,456
Local Government Equitable Share		33,946	48,056	60,966	76,198	76,198	76,198	86,177	93,230	100,756
Finance Management		598	1,000	1,250	1,500	1,500	1,500	1,500	1,750	1,750
Municipal Systems Improvement		735	735	750	790	790	790	800	900	950
Intergated national Electrification Grant						-	-	7,000	-	-
Provincial Government:		-	-	-	-	-	-	150	-	-
Sport and Recreation Grant		-	-	-	-	-	-	150	-	-
District Municipality:		137	-	-	-	-	-	-	-	-
Youth Advisory Centre Grant		137								
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		35,416	49,791	62,966	78,488	78,488	78,488	95,627	95,880	103,456
Capital expenditure of Transfers and Grants										
National Government:		21,052	27,960	20,499	24,655	24,655	24,655	29,908	31,549	33,373
Municipal Infrastructure Grant (MIG)		21,052	27,960	20,499	24,655	24,655	24,655	29,908	31,549	33,373
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
0										
District Municipality:		-	-	-	-	-	-	-	-	-
0										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		21,052	27,960	20,499	24,655	24,655	24,655	29,908	31,549	33,373
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		56,468	77,751	83,465	103,143	103,143	103,143	125,535	127,429	136,829

Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN213 Umzumbe - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		8,325						-		
Current year receipts		62,784			78,488	78,488	78,488	95,477	95,880	103,456
Conditions met - transferred to revenue		71,108	-	-	78,488	78,488	78,488	95,477	95,880	103,456
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	150	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	150	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		137								
Conditions met - transferred to revenue		137	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		71,245	-	-	78,488	78,488	78,488	95,627	95,880	103,456
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			6,361		8,000					
Current year receipts			36,152		24,655	24,655	24,655	29,908	31,549	33,373
Conditions met - transferred to revenue		-	42,513	-	32,655	24,655	24,655	29,908	31,549	33,373
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	42,513	-	32,655	24,655	24,655	29,908	31,549	33,373
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		71,245	42,513	-	111,143	103,143	103,143	125,535	127,429	136,829
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Councillor and employee benefits

Table 25 MBRR SA22 - Summary of councillor and staff benefits

KZN213 Umzumbe - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5,185	8,092	7,864	6,373	6,373	6,373	7,622	8,079	8,564
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance		2,064			2,125	2,325	2,325	2,865	3,037	3,219
Cellphone Allowance		388			450	450	450	581	616	653
Housing Allowances										
Other benefits and allowances								107	114	121
Sub Total - Councillors		7,637	8,092	7,864	8,947	9,147	9,147	11,176	11,846	12,557
% increase	4		6.0%	(2.8%)	13.8%	2.2%	-	22.2%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1,317	1,658	2,255	3,038	3,038	3,038	3,236	3,430	3,636
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus			100	97	304	304	304	453	480	509
Motor Vehicle Allowance	3	563								
Cellphone Allowance	3									
Housing Allowances	3		101							
Other benefits and allowances	3		692					246	261	277
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		1,880	2,551	2,352	3,341	3,341	3,341	3,935	4,171	4,422
% increase	4		35.7%	(7.8%)	42.1%	-	-	17.8%	6.0%	6.0%
Other Municipal Staff										
Basic Salaries and Wages		4,182	5,012	8,391	11,548	11,348	11,348	13,580	14,395	15,259
Pension and UIF Contributions		2,142	909	1,445	2,413	2,413	2,413	2,945	3,121	3,309
Medical Aid Contributions		348	419	547	1,059	1,059	1,059	1,195	1,267	1,343
Overtime		324	325	99	100	100	100	200	212	225
Performance Bonus										
Motor Vehicle Allowance	3	1,171		2,165	1,750	1,750	1,750	2,660	2,820	2,989
Cellphone Allowance	3									
Housing Allowances	3		90	5	212	212	212	181	191	203
Other benefits and allowances	3	1,609	4,443		909	909	909	1,074	1,138	1,206
Payments in lieu of leave				187						
Long service awards										
Post-retirement benefit obligations	6			787						
Sub Total - Other Municipal Staff		9,776	11,199	13,626	17,990	17,790	17,790	21,835	23,145	24,533
% increase	4		14.6%	21.7%	32.0%	(1.1%)	-	22.7%	6.0%	6.0%
Total Parent Municipality		19,293	21,842	23,842	30,279	30,279	30,279	36,946	39,162	41,512
			13.2%	9.2%	27.0%	-	-	22.0%	6.0%	6.0%

Table 25 MBRR SA22 - Summary of councillor and staff benefits (continued)

Board Members of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
Senior Managers of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		19,293	21,842	23,842	30,279	30,279	30,279	36,946	41,512
% increase	4		13.2%	9.2%	27.0%	-	-	22.0%	6.0%
TOTAL MANAGERS AND STAFF	5	11,656	13,750	15,978	21,331	21,131	21,131	25,770	28,955

KZN213 Umzumbe - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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Table 27 MBRR SA24 – Summary of personnel numbers

KZN213 Umzumbe - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		37			38			38		
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		5	5		5	5		5
Other Managers	7	11	11		15	14	1	18	17	1
Professionals		42	28	14	39	36	3	43	42	1
Finance								7	7	
Spatial/town planning								2	2	
Information Technology								1	1	
Roads										
Electricity										
Water										
Sanitation										
Refuse		42	28	14	39	36	3	33	32	1
Other										
Technicians		-	-	-	-	-	-	-	-	-
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		5	3	2	5	3	2	5	3	3
Elementary Occupations										
TOTAL PERSONNEL NUMBERS		100	42	21	102	53	11	109	62	10
% Increase					2.0%	26.2%	(47.6%)	6.9%	17.0%	(9.1%)
Total municipal employees headcount	6									
Finance personnel headcount	8	8	8		8	8		10	9	1
Human Resources personnel headcount	8	2	2		2	2		2	2	

Monthly targets for revenue, expenditure and cash flow

Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN213 Umzumbe - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source																
Property rates		258	258	258	258	258	258	258	258	258	258	258	0	2,842	3,013	3,194
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		91	91	91	91	91	91	91	91	91	91	91	0	1,000	900	800
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		31,876				31,876				31,876			(0)	95,627	95,880	103,456
Other revenue		8	8	8	8	8	8	8	8	8	8	8	(0)	90	97	105
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		32,233	357	357	357	32,233	357	357	357	32,233	357	357	0	99,559	99,890	107,555
Expenditure By Type																
Employee related costs		2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	(0)	25,756	27,301	28,939
Remuneration of councillors		941	941	941	941	941	941	941	941	941	941	941	(0)	10,348	11,176	12,070
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	6,300	-	6,300	6,678	7,079
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	0	44,355	47,016	49,837
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	13,614	(0)	86,759	92,171	97,925
Surplus/(Deficit)		24,919	(6,957)	(6,957)	(6,957)	24,919	(6,957)	(6,957)	(6,957)	24,919	(6,957)	(13,257)	0	12,800	7,719	9,629
Transfers recognised - capital		9,969				9,969				9,969			0	29,908	31,549	33,373
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		34,888	(6,957)	(6,957)	(6,957)	34,888	(6,957)	(6,957)	(6,957)	34,888	(6,957)	(13,257)	0	42,708	39,268	43,002
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	34,888	(6,957)	(6,957)	(6,957)	34,888	(6,957)	(6,957)	(6,957)	34,888	(6,957)	(13,257)	0	42,708	39,268	43,002

Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN213 Umzumbe - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		774	774	774	774	774	774	774	774	774	774	774	(0)	8,515	9,026	9,567
Vote 2 - FINANCE AND ADMIN		4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	(0)	52,929	56,105	59,471
Vote 3 - PLANNING		152	152	152	152	152	152	152	152	152	152	152	(0)	1,675	1,776	1,882
Vote 4 - COMMUNITY AND SOCIAL SERVICES		2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	(0)	23,640	25,058	26,562
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	(0)	86,759	91,964	97,482
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		774	774	774	774	774	774	774	774	774	774	774	(0)	8,515	9,026	9,567
Vote 2 - FINANCE AND ADMIN		4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	(0)	52,929	56,105	59,471
Vote 3 - PLANNING		152	152	152	152	152	152	152	152	152	152	152	(0)	1,675	1,776	1,882
Vote 4 - COMMUNITY AND SOCIAL SERVICES		2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	(0)	23,640	25,058	26,562
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	(0)	86,759	91,964	97,482
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN213 Umzumbe - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard																
<i>Governance and administration</i>		5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	(0)	61,444	65,131	69,038
Executive and council		774	774	774	774	774	774	774	774	774	774	774	(0)	8,515	9,026	9,567
Budget and treasury office		880	880	880	880	880	880	880	880	880	880	880	-	9,680	10,261	10,876
Corporate services		3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	(0)	43,249	45,844	48,594
<i>Community and public safety</i>		2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	(0)	23,640	25,058	26,562
Community and social services		2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	(0)	23,640	25,058	26,562
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		152	152	152	152	152	152	152	152	152	152	152	(0)	1,675	1,776	1,882
Planning and development		152	152	152	152	152	152	152	152	152	152	152	(0)	1,675	1,776	1,882
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Revenue - Standard		7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	(0)	86,759	91,964	97,482
Expenditure - Standard																
<i>Governance and administration</i>		5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	(0)	61,444	65,131	69,038
Executive and council		774	774	774	774	774	774	774	774	774	774	774	(0)	8,515	9,026	9,567
Budget and treasury office		880	880	880	880	880	880	880	880	880	880	880	-	9,680	10,261	10,876
Corporate services		3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	3,932	(0)	43,249	45,844	48,594
<i>Community and public safety</i>		2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	(0)	23,640	25,058	26,562
Community and social services		2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	(0)	23,640	25,058	26,562
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		152	152	152	152	152	152	152	152	152	152	152	(0)	1,675	1,776	1,882
Planning and development		152	152	152	152	152	152	152	152	152	152	152	(0)	1,675	1,776	1,882
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Expenditure - Standard		7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	(0)	86,759	91,964	97,482
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN213 Umzumbe - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Multi-year expenditure to be appropriated	1												-	-	-	-
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - FINANCE AND ADMIN													-	-	-	-
Vote 3 - PLANNING													-	-	-	-
Vote 4 - COMMUNITY AND SOCIAL SERVICES													-	-	-	-
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL			35										-	35	37	39
Vote 2 - FINANCE AND ADMIN		50			875								-	925	981	1,039
Vote 3 - PLANNING		15											-	15	16	17
Vote 4 - COMMUNITY AND SOCIAL SERVICES		3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	-	41,734	44,238	46,892
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	3,859	3,829	3,794	4,669	3,794	3,794	3,794	3,794	3,794	3,794	3,794	-	42,709	45,272	47,988
Total Capital Expenditure	2	3,859	3,829	3,794	4,669	3,794	3,794	3,794	3,794	3,794	3,794	3,794	-	42,709	45,272	47,988

Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN213 Umzumbe - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description R thousand	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		85	-	-	875	-	-	-	-	-	-	-	-	960	1,018	1,079
Executive and council		35												35	37	39
Budget and treasury office		20												20	21	22
Corporate services		30			875									905	959	1,017
<i>Community and public safety</i>		3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	-	41,734	44,238	46,892
Community and social services		3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	-	41,734	44,238	46,892
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		15	-	-	-	-	-	-	-	-	-	-	-	15	16	17
Planning and development		15											-	15	16	17
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Capital Expenditure - Standard	2	3,894	3,794	3,794	4,669	3,794	3,794	3,794	3,794	3,794	3,794	3,794	-	42,709	45,272	47,988

Table 33 MBRR SA30 - Budgeted monthly cash flow

KZN213 Umzumbe - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	258	258	258	258	258	258	258	258	258	258	258	0	2,842	3,013	3,194
Property rates - penalties & collection charges												-			
Service charges - electricity revenue												-			
Service charges - water revenue												-			
Service charges - sanitation revenue												-			
Service charges - refuse revenue												-			
Service charges - other												-			
Rental of facilities and equipment												-			
Interest earned - external investments	91	91	91	91	91	91	91	91	91	91	91	0	1,000	900	800
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines												-			
Licences and permits												-			
Agency services												-			
Transfer receipts - operational	31,876				31,876				31,876			(0)	95,627	95,880	103,456
Other revenue	8	8	8	8	8	8	8	8	8	8	8	(0)	90	97	105
Cash Receipts by Source	32,233	357	357	357	32,233	357	357	357	32,233	357	357	0	99,559	99,890	107,555
Other Cash Flows by Source															
Transfer receipts - capital	2,719	2,719	2,719	2,719	2,719	2,719	2,719	2,719	2,719	2,719	2,719	0	29,908	31,549	33,373
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits												-			
Decrease (increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	34,952	3,076	3,076	3,076	34,952	3,076	3,076	3,076	34,952	3,076	3,076	0	129,467	131,439	140,928
Cash Payments by Type															
Employee related costs	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	(0)	25,756	27,301	28,039
Remuneration of councillors	941	941	941	941	941	941	941	941	941	941	941	(0)	10,348	10,969	11,627
Finance charges												-			
Bulk purchases - Electricity												-			
Bulk purchases - Water & Sewer												-			
Other materials												-			
Contracted services												-			
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	0	44,355	47,016	49,837
Cash Payments by Type	7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	7,314	(0)	80,459	85,286	89,504
Other Cash Flows/Payments by Type															
Capital assets	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	0	42,709	45,272	47,988
Repayment of borrowing												-			
Other Cash Flow s/Payments												-			
Total Cash Payments by Type	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	(0)	123,168	130,558	137,492
NET INCREASE/(DECREASE) IN CASH HELD	23,755	(8,121)	(8,121)	(8,121)	23,755	(8,121)	(8,121)	(8,121)	23,755	(8,121)	(8,121)	0	6,299	881	3,436
Cash/cash equivalents at the month/year begin:	23,755	15,634	7,513	(607)	23,148	15,027	6,906	(1,214)	22,540	14,420	6,299	6,299	-	6,299	7,180
Cash/cash equivalents at the month/year end:	23,755	15,634	7,513	(607)	23,148	15,027	6,906	(1,214)	22,540	14,420	6,299	6,299	6,299	7,180	10,616

Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 34 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN213 Umzumbe - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure	2	6,190	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Infrastructure - Road transport		5,396	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Roads, Pavements & Bridges		5,396	27,340	32,056	28,472	33,910	33,910	29,924	31,720	33,623
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		795	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other		795								
Community			16,934	2,834	2,149	7,554	8,837	8,837	7,254	7,689
Parks & gardens	7									
Sportsfields & stadia					2,500	3,623	3,623	2,000	2,120	2,247
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other			16,934	2,834	2,149	5,054	5,215	5,215	5,254	5,569
Heritage assets	9	-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										

Table 34 MBRR SA 34a - Capital expenditure on new assets by asset class (continued)

		1,912	1,242	1,275	2,936	2,752	2,752	5,531	5,863	6,215
Other assets										
General vehicles	10		568	853	1,500	1,500	1,500	2,000	2,120	2,247
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment			10		500	500	500	3,000	3,180	3,371
Computers - hardware/equipment			279		195	260	260	140	148	157
Furniture and other office equipment			197		200	120	120	50	53	56
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		137	188		500	116	116			
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1,775		422	41	256	256	341	361	383
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on new assets	1	25,036	31,417	35,480	38,962	45,500	45,500	42,709	45,272	47,988
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN213 Umzumbe - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	NONE	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas	3	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency	7	-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN213 Umzumbe - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	-	-	200	2,197	2,197	3,830	4,060	4,303
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other					200	2,197	2,197	3,830	4,060	4,303

Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class(continued)

Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	657	862	887	887	1,385	1,468	1,556
General vehicles					110	110	110	145	154	163
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment	10				600	600	600	600	636	674
Computers - hardware/equipment					62	62	62	50	53	56
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings					90	115	115	590	625	663
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other				657						
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	-	-	657	1,062	3,083	3,083	5,215	5,528	5,860
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		0.0%	0.0%	0.6%	1.0%	3.0%	3.0%	4.3%	4.3%	4.3%
R&M as % Operating Expenditure		0.0%	0.0%	1.1%	1.5%	4.3%	4.3%	6.0%	6.0%	6.0%

Table 37 MBRR SA35 - Future financial implications of the capital budget

KZN213 Umzumbe - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		35	37	39				
Vote 2 - FINANCE AND ADMIN		925	981	1,039				
Vote 3 - PLANNING		15	16	17				
Vote 4 - COMMUNITY AND SOCIAL SERVICES		41,734	44,238	46,892				
Vote 5 - [NAME OF VOTE 5]		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		42,709	45,272	47,988	-	-	-	-
Future operational costs by vote	2							
Vote 1 - EXECUTIVE AND COUNCIL								
Vote 2 - FINANCE AND ADMIN								
Vote 3 - PLANNING								
Vote 4 - COMMUNITY AND SOCIAL SERVICES								
Vote 5 - [NAME OF VOTE 5]								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		42,709	45,272	47,988	-	-	-	-

Table 38 MBRR SA36 - Detailed capital budget per municipal vote

KZN213 Umzumbe - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Access Roads		Construction of access roads				Infrastructure - Road transport	Roads, Pavements & Bridges			39,017	33,910	29,924	31,720	33,623		new
Craft Centre		Construction of Okw akha craft Centre				Community	Markets			-	-	5,054	5,357	5,679		new
Sports fields		Upgrading of sportfields				Community	Sportsfields & stadia				3,623	2,000	2,120	2,247		new
Market stalls		Building of shelter for banana hawkers				Community	Markets			-	-	200	212	225		new
Purchase of plant		Purchasing of 2 municipal graders				Other Assets	Plant & equipment			-	-	3,000	3,180	3,371		new
Purchase of motor vehicles		Purchasing of a municipal vehicle and a truck				Other Assets	General vehicles			853	1,500	2,000	212	225		new
Purchase of park homes		Purchasing of municipal park homes				Other Assets	Other			-	-	320	339	360		new
Furniture		Purchasing of municipal furniture and other equipment				Other Assets	Furniture and other office equipment			185	376	71	75	80		new
Computer equipment		Purchasing of computer equipments				Other Assets	Computers - hardware/equipment			229	260	140	148	157		new
Parent Capital expenditure	1											42,709	43,364	45,965		
Entities:																
<i>List all capital projects grouped by Entity</i>																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										40,285	39,669	42,709	43,364	45,965		

Table 39 MBRR SA37 - Projects delayed from previous financial year

KZN213 Umzumbe - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days).
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns three have been appointed permanently. The remaining two have completed their two year contract on 30 April 2012.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee is shared with other municipalities within the district and is fully functional.
5. Service Delivery and Implementation Plan
The detail 2012/13 draft SDBIP document will be finalised and will be tabled before council.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

[illegible]

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	5,606	6,670	10,646	14,586	14,386	14,386	8,429	16,816	17,825	18,895
Pension and UIF Contributions		876	1,209	1,445	2,413	2,413	2,413	1,060	2,977	3,156	3,345
Medical Aid Contributions		2,087	3,692	547	1,059	1,059	1,059	391	1,195	1,267	1,343
Overtime		324	325	99	100	100	100	82	200	212	225
Performance Bonus				97	304	304	304	68	453	480	509
Motor Vehicle Allowance				2,165	1,750	1,750	1,750	1,200	2,860	3,032	3,213
Cellphone Allowance											
Housing Allowances		601	662	5	212	212	212	81	181	191	203
Other benefits and allowances					909	909	909	789	1,074	1,138	1,206
Payments in lieu of leave		851	286	187							
Long service awards											
Post-retirement benefit obligations	4	1,310	909	787							
sub-total	5	11,656	13,752	15,978	21,331	21,131	21,131	12,100	25,756	27,301	28,939
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	11,656	13,752	15,978	21,331	21,131	21,131	12,100	25,756	27,301	28,939
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		3,254	3,626	6,123	5,545	5,545	5,545	-	6,300	6,678	7,079
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	3,254	3,626	6,123	5,545	5,545	5,545	-	6,300	6,678	7,079
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

<i>sub-total</i>	1	-	-	-	-	-	-	-	-	-
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services		-	-	-	-	-	-	-	-	-
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees								1,250	1,325	1,405
Audit fees								1,316	1,395	1,479
General expenses	3	29,690	25,446	27,241	34,688	36,531	36,531	16,123	41,789	46,954
List Other Expenditure by Type										
Community Participation										
Motor Vehicle Running Costs										
Printing and Stationery										
Security Services										
Staff Training										
Travel and Accommodation										
Telephone & contracted Cell phones										
Tankered Water										
Grid Electricity and Gel										
Hiring of Graders										
LED Projects										
Special Programmes										
Total 'Other' Expenditure	1	29,690	25,446	27,241	34,688	36,531	36,531	16,123	44,355	47,016
										49,837
Repairs and Maintenance	8									
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure		2,435		657						
Total Repairs and Maintenance Expenditure	9	2,435	-	657	-	-	-	-	-	-

Table 41MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN213 Umzumbe - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - FINANCE AND ADMIN	Vote 3 - PLANNING	Vote 4 - COMMUNITY AND SOCIAL SERVICES	Vote 5 - [NAME OF VOTE 5]	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates			2,842														2,842
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment																	-
Interest earned - external investments			1,000														1,000
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services																	-
Other revenue			90														90
Transfers recognised - operational		8,515	48,997	1,675	23,640												82,827
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		8,515	52,929	1,675	23,640	-	-	-	-	-	-	-	-	-	-	-	86,759
Expenditure By Type																	
Employee related costs			25,756														25,756
Remuneration of councillors			10,348														10,348
Debt impairment																	-
Depreciation & asset impairment			6,300														6,300
Finance charges																	-
Bulk purchases																	-
Other materials																	-
Contracted services																	-
Transfers and grants																	-
Other expenditure		8,515	10,525	1,675	23,640												44,355
Loss on disposal of PPE																	-
Total Expenditure		8,515	52,929	1,675	23,640	-	-	-	-	-	-	-	-	-	-	-	86,759
Surplus/(Deficit)		-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Transfers recognised - capital					29,908												29,908
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		-	0	-	29,908	-	-	-	-	-	-	-	-	-	-	-	29,908

Table 42 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN213 Umzumbe - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Supporting table and supporting detail to Budgeted Financial Position											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days					8,000	8,000	8,000	9,572	7,000	6,000	5,000
Other current investments > 90 days											
Total Call investment deposits	2	-	-	-	8,000	8,000	8,000	9,572	7,000	6,000	5,000
Consumer debtors											
Consumer debtors											
Less: Provision for debt impairment											
Total Consumer debtors	2	-	-	-	-	-	-	-	-	-	-
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)				119,190	103,143	103,143	103,143	120,450	122,112	129,438	137,205
Leases recognised as PPE	3										
Less: Accumulated depreciation				6,123							
Total Property, plant and equipment (PPE)	2	-	-	113,066	103,143	103,143	103,143	120,450	122,112	129,438	137,205
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors				5,230	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Unspent conditional transfers				1,446							
VAT											
Total Trade and other payables	2	-	-	6,675	2,325	2,325	2,325	7,898	5,334	5,654	5,994
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	-	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance											
GRAP adjustments											
Restated balance		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	21,094	64,239	41,973	77,924	85,662	85,662	45,768	42,708	39,268	43,002
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves		27,015	47,512		103,143	105,143	105,143		125,535	127,429	140,928
Revaluation											
Total Reserves	2	27,015	47,512	-	103,143	105,143	105,143	-	125,535	127,429	140,928
TOTAL COMMUNITY WEALTH/EQUITY	2	48,109	111,751	41,973	181,067	190,805	190,805	45,768	168,243	166,697	183,930

Table 43 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN213 Umzumbe - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			165	194	176	176	176	176	176	176	176	176
Females aged 5 - 14			27	32	29	29	29	29	29	29	29	29
Males aged 5 - 14			22	26	24	24	24	24	24	24	24	24
Females aged 15 - 34			29	34	31	31	31	31	31	31	31	31
Males aged 15 - 34			24	28	25	25	25	25	25	25	25	25
Unemployment			119	140	127	127	127	127	127	127	127	127
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											

Table 43 MBRR Table SA9 – Social, economic and demographic statistics and assumptions(continued)

Household/demographics (000)												
Number of people in municipal area			164,799	193,762	176,287	176,287	176,287	176,287	176,287	176,287	176,287	176,287
Number of poor people in municipal area				38,889	40,579	40,579	40,579	40,579	40,579	40,579	40,579	40,579
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal												
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Table 44 MBRR SA32 – List of external mechanisms

KZN213 Umzumbe - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
NO EXTERNAL MECHANISMS					

Municipal manager's quality certificate

I, municipal manager of Umzumbe Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Umzumbe Municipality (KZN213)

Signature _____

Date _____